



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1726

Introduced 2/15/2013, by Sen. John G. Mulroe

SYNOPSIS AS INTRODUCED:

5 ILCS 220/6

from Ch. 127, par. 746

Amends the Intergovernmental Cooperation Act. Provides that any intergovernmental contract for joint self-insurance among public agency members that is executed, amended, or renewed on or after the effective date of the amendatory Act must authorize a public agency member to terminate its participation in the joint insurance pool or intergovernmental cooperative after giving written notice to the joint insurance pool or intergovernmental cooperative (i) at least 90 days before terminating its participation in the joint insurance pool or intergovernmental cooperative or (ii) after some shorter period of time if mutually agreed upon by the parties to the contract.

LRB098 07701 JDS 37777 b

1 AN ACT concerning government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Intergovernmental Cooperation Act is
5 amended by changing Section 6 as follows:

6 (5 ILCS 220/6) (from Ch. 127, par. 746)

7 Sec. 6. Joint self-insurance. An intergovernmental
8 contract may, among other undertakings, authorize public
9 agencies to jointly self-insure and authorize each public
10 agency member of the contract to utilize its funds to pay to a
11 joint insurance pool its costs and reserves to protect, wholly
12 or partially, itself or any public agency member of the
13 contract against liability or loss in the designated insurable
14 area. A joint insurance pool shall have an annual audit
15 performed by an independent certified public accountant and
16 shall file an annual audited financial report with the Director
17 of Insurance no later than 150 days after the end of the pool's
18 immediately preceding fiscal year. The Director of Insurance
19 shall issue rules necessary to implement this audit and report
20 requirement. The rule shall establish the due date for filing
21 the initial annual audited financial report. Within 30 days
22 after January 1, 1991, and within 30 days after each January 1
23 thereafter, public agencies that are jointly self-insured to

1 protect against liability under the Workers' Compensation Act
2 and the Workers' Occupational Diseases Act shall file with the
3 Illinois Workers' Compensation Commission a report indicating
4 an election to self-insure.

5 For purposes of this Section, "public agency member" means
6 any public agency defined or created under this Act, any local
7 public entity as defined in Section 1-206 of the Local
8 Governmental and Governmental Employees Tort Immunity Act, and
9 any public agency, authority, instrumentality, council, board,
10 service region, district, unit, bureau, or, commission, or any
11 municipal corporation, college, or university, whether
12 corporate or otherwise, and any other local governmental body
13 or similar entity that is presently existing or created after
14 the effective date of this amendatory Act of the 92nd General
15 Assembly, whether or not specified in this Section. Only public
16 agency members with tax receipts, tax revenues, taxing
17 authority, or other resources sufficient to pay costs and to
18 service debt related to intergovernmental activities described
19 in this Section, or public agency members created by or as part
20 of a public agency with these powers, may enter into contracts
21 or otherwise associate among themselves as permitted in this
22 Section.

23 No joint insurance pool or other intergovernmental
24 cooperative offering health insurance shall interfere with the
25 statutory obligation of any public agency member to bargain
26 over or to reach agreement with a labor organization over a

1 mandatory subject of collective bargaining as those terms are
2 used in the Illinois Public Labor Relations Act. No
3 intergovernmental contract of insurance offering health
4 insurance shall limit the rights or obligations of public
5 agency members to engage in collective bargaining, and it shall
6 be unlawful for a joint insurance pool or other
7 intergovernmental cooperative offering health insurance to
8 discriminate against public agency members or otherwise
9 retaliate against such members for limiting their
10 participation in a joint insurance pool as a result of a
11 collective bargaining agreement.

12 It shall not be considered a violation of this Section for
13 an intergovernmental contract of insurance relating to health
14 insurance coverage, life insurance coverage, or both to permit
15 the pool or cooperative, if a member withdraws employees or
16 officers into a union-sponsored program, to re-price the costs
17 of benefits provided to the continuing employees or officers
18 based upon the same underwriting criteria used by that pool or
19 cooperative in the normal course of its business, but no member
20 shall be expelled from a pool or cooperative if the continuing
21 employees or officers meet the general criteria required of
22 other members.

23 Any intergovernmental contract for joint self-insurance
24 among public agency members that is executed, amended, or
25 renewed on or after the effective date of this amendatory Act
26 of the 98th General Assembly shall authorize a public agency

1 member to terminate its participation in the joint insurance
2 pool or intergovernmental cooperative after giving written
3 notice to the joint insurance pool or intergovernmental
4 cooperative (i) at least 90 days before terminating its
5 participation in the joint insurance pool or intergovernmental
6 cooperative or (ii) after some shorter period of time if
7 mutually agreed upon by the parties to the contract.

8 (Source: P.A. 93-721, eff. 1-1-05; 94-685, eff. 11-2-05.)